

MEMO TO: GOVERNOR
FROM: BUDDY BYNUM
CC: CHARLIE WILLIAMS, JIM PERRY
RE: PENDING ISSUES
DATE: AUGUST 15, 2005

In view of our expressed desire to present a softer and warmer front this fall heading into the 2006 legislative session and into 2007, several initiatives are under way, particularly in the areas of job creation, education and health care. All of these can play positive, meaningful roles as we look ahead.

Against this backdrop, however, are at least two issues that in my Communications view require your immediate attention and action:

1. The State Tax Commission's decision to start collecting 7% sales taxes on meal plans bought by college students. Many are characterizing this as a new tax that goes against your "no new taxes" pledge.

Action: Try to stop the tax. For all of its good intentions, this tax will not raise enough money to justify the grief among parents, students, administrators and your political supporters who are depending on you to hold the line on taxes. While Paul and Joe are exploring the legal options you might have in stopping this tax, I suggest you call in Joe Blount and get the commission to take another look. There's bound to be a fallback position, even if it's that commissioners have re-examined the situation and now believe collecting the tax would cause an undue hardship for students and institutions of higher learning that have already made certain financial arrangements and commitments for this academic year. Make public that in keeping with your no new taxes pledge, and while the Tax Commission doesn't report to you, you've asked the commissioners to revisit their action.

2. Offshore drilling. Unfortunately, we are so far behind the public relations curve that it will be very difficult to regain the initiative without some sort of bold, decisive action on your part, and a comprehensive advertising campaign by pro-drilling interests. Many of our friends on the Coast have already moved away from you on this one – and it's not just the small fraction of a percentage of crazies. It's showing up in constituents' contact with your office. All of the cities and counties along the Coast have associated themselves with the 12

Miles South Coalition. We need to get them back, or at least mitigate the political damages.

Action: Declare a moratorium on exploration and potential drilling in state waters, and by Executive Order appoint a Governor's Advisory Council on Offshore Drilling to examine all aspects of the situation. This advisory council would be made up of 15 individuals, heavy but not exclusively with Coast representatives. You would give it all the time it believes is necessary to make recommendations to you. You would set certain criteria for a legitimate evaluation, including such elements as protecting tourism, addressing environmental concerns, potential uses of whatever revenue might come to the state from offshore drilling activities, and the differences between state and federal waters. The underlying idea is to take offshore drilling off the table until sometime in 2008, and allay fears that exist on the Coast today that people's homes and livelihoods are somehow about to be destroyed by drilling in state waters.

We need to get these two behind us so we can concentrate on building new coalitions, and keep the strong, proactive coalitions, particularly in the business community, that have helped you achieve such stunning successes as tort reform, Momentum Mississippi, workforce training reforms and unemployment tax reform. With a very heavy agenda over the next few months promoting your initiatives on job creation, education and health care, we need to eliminate these distractions. And, decisive action on these two issues will once again demonstrate that you are in charge here at home, beholden to no one but the people.